

## Message Text

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PAGE 01 STATE 139921

53

ORIGIN NEA-16

INFO OCT-01 ISO-00 PM-07 FBO-01 A-01 L-03 EB-11 SS-20

USIA-15 M-02 NSC-07 FCSC-01 H-03 PA-04 PRS-01 ABF-01

CIAE-00 INR-10 NSAE-00 RSC-01 SP-03 OMB-01 SAM-01

TRSE-00 AGR-20 SWF-02 SAB-01 DODE-00 /133 R

66607

DRAFTED BY NEA/EGY:LWSEMAKIS:PM

APPROVED BY P-SISCO

NEA/EGY:GNANDERSON

EB/IFD:OIA:MKENNEDY

L/JWHOPKINS, JR

NEA:ALATHERTON

EB/IFD:SWEINTRAUB

L/C:FKWIATEK

S/S:GAMMON

USIA:WRUGH(INFO)

EB/OFB/FPD:RSERVICE(INFO)

A/FBO:ANISONGER(INFO)

----- 070503

R 281333Z JUN 74

FM SECSTATE WASHDC

TO AMEMBASSY CAIRO

C O N F I D E N T I A L STATE 139921

E.O. 11652: GDS

TAGS: EFIN

SUBJECT: U.S. CLAIMS AGAINST EGYPTIAN GOVERNMENT

REF: CAIRO 1294

1. NOW THAT RELATIONS WITH EGYPT ARE FULLY ESTABLISHED  
AND MOVING IN VERY POSITIVE DIRECTION, WE BELIEVE TIME IS  
PROPITIOUS FOR APPROACHING EGYPTIANS ABOUT SETTTLING OUTSTAND-  
ING U.S. CLAIMS AGAINST GOE. CLAIMS STEM FROM PRE-1967

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PAGE 02 STATE 139921

MIDDLE EAST WAR PERIOD AND AMOUNT TO A ROUGHLY ESTIMATED

TOTAL OF DOLS 7.5 MILLION.

2. SETTLEMENT OF THESE CLAIMS WOULD (A) HAVE VERY FAVORABLE IMPACT ON CONGRESS THUS OPENING WAY FOR SYMPATHETIC CONGRESSIONAL REACTION TO PROPOSED DOLS 250 MILLION AID PACKAGE TO EGYPT; (B) NULLIFY APPLICATION AGAINST EGYPT OF LONG-STANDING LEGISLATIVE RESTRICTIONS ON ASSISTANCE TO COUNTRIES THAT HAVE NOT SETTLED CLAIMS ISSUE; AND (C) FURTHER IMPROVE EGYPT'S IMAGE IN AMERICAN BUSINESS COMMUNITY WHICH, DESPITE IMPROVING INVESTMENT CLIMATE IN EGYPT, HAS NOT FORGOTTEN PAST EGYPTIAN ACTIONS AGAINST FOREIGN ENTERPRISES.

3. OUR CLAIMS AGAINST EGYPT FALL INTO TWO BASIC CATEGORIES (1) U.S. GOVERNMENT CLAIMS AND (2) U.S. PRIVATE CLAIMS. U.S. GOVERNMENT CLAIMS STEMMING FROM DESTRUCTION OF USIA LIBRARY IN CAIRO PLUS DAMAGE TO PROPERTY IN ALEXANDRIA AND PORT SAID IS ESTIMATED AT DOLS 500,000. THIS FIGURE MAY NEED TO BE REVISED, HOWEVER, TO REFLECT MORE RECENT ASSESSMENT OF DAMAGES WHICH NOW UNDER STUDY. IN ADDITION, DEPT OF AGRICULTURE HAS CLAIM OF APPROXIMATELY DOLS 3 MILLION COVERING COMMODITIES AND FOODSTUFFS SEIZED BY GOE FROM CARE AND OTHER RELIEF ORGANIZATIONS. ROUGH TOTAL OF U.S. PRIVATE CLAIMS COMES TO DOLS 4 MILLION AND, WHEN ADDED TO U.S. GOVERNMENT CLAIMS, BRINGS TOTAL TO DOLS 7.5 MILLION.

4. WE BELIEVE BEST WAY TO PROCEED WOULD BE TO CLEAR UP USG CLAIMS FIRST AND THEN TAKE UP PRIVATE CLAIMS. IF YOU AGREE, YOU SHOULD APPROACH GOE IN NEAR FUTURE IN MANNER AND AT LEVEL YOU DEEM MOST APPROPRIATE TO SOUND OUT GOE WILLINGNESS TO SETTLE CLAIMS IN THAT ORDER. YOU SHOULD MAKE POINT THAT FOREIGN ASSISTANCE ACT CONTAINS LANGUAGE BARRING ECONOMIC ASISTANCE TO ANY COUNTRY THAT HAS NOT PROMPTLY AND ADEQUATELY SETTLED SUCH CLAIMS.

5. IF GOE RESPONSE IS POSITIVE, WE WILL WISH TO COORDINATE WITH EMBASSY AND PREPARE FULL DOCUMENTATION FOR USE BY EMBASSY IN DISCUSSIONS WITH EGYPTIANS. SISCO

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, DEBTS, GOVERNMENT DEBTS, FOREIGN ASSISTANCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Original Handling Restrictions:** n/a  
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**Reference:** CAIRO 1294  
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**Review Authority:** BoyleJA  
**Review Comment:** n/a  
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**Review Date:** 13 AUG 2002  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** U.S. CLAIMS AGAINST EGYPTIAN GOVERNMENT  
**TAGS:** EFIN, EG, US  
**To:** CAIRO  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005